



Indiana Department of Revenue

News Release

For Immediate Release
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Retailers Prepare for Tax Increase

The Indiana Department of Revenue continues to field questions from retailers across the state about the new sales tax rate increase. The increase takes affect December 1, 2002, and raises the sales tax from 5 percent to 6 percent. In addition, the new law changes the collection allowance from 1 percent to .83 percent.

Information letters and new forms have been mailed to over 200,000 business accounts that collect Indiana sales tax. In addition, the filing frequency has been changed for some retailers for the last quarter of 2002. For instance, if a retailer files quarterly for the last three months of 2002, they will have to file individual returns for October, November and December and use the appropriate sales tax rate and forms. These retailers will return to their normal filing frequency beginning in January 2003.

The Revenue Department's computer system has also been changed to reflect the new rate and calculations beginning with sales tax remittances for periods after November 30, 2002.

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